GRAIN TRANSPORTATION REPORT

Transportation & Marketing, Agricultural Marketing Service
United States Department of Agriculture

APRIL 03, 2003

TM GRAIN TRANSPORT COST INDICATORS	Truck	Rail	Barge	Ocean Gulf	Ocean PNW
Indicator Value* for 04/03	107	106	81	136	141
Compared to Last Week	↓	→	↓	↑	→

*Indicator: Base Year 2000=100; Weekly Updates include Truck=Diesel; Rail=Nearby Secondary Rail Market; Barge=Spot Illinois River Basis; Ocean Vessel based on Routes to Japan

Public Hearing on Procedures To Challenge Rail Rates in Small Cases. The Surface Transportation Board (STB) has scheduled a public hearing for April 22 to provide an opportunity for interested persons to express their views concerning STB's processing of railroad rate challenges in small cases. Agricultural shippers have long contended that the current rate appeal procedures are too costly and complex. As a result, small shippers cannot economically appeal rail rates they perceive as unfair. STB had originally scheduled this hearing for April 16. Persons or parties wishing to speak at the hearing should file with the STB a written Notice of Intent to Participate and should indicate a requested time allotment no later than April 11. Each speaker should also file with the STB a copy of his/her testimony by April 16. The hearing will be held in Room 760 on the 7th floor at STB headquarters in the Mercury Building, 1925 K Street, NW, Washington, DC 20423-0001. For more information, contact Dennis Watson, STB, 202-565-1596.

Rail Grain and Soybean Traffic Expected To Decrease Slightly. Two factors affecting rail grain and soybean traffic are working at odds with each other, resulting in a forecast that rail grain and soybean traffic will decrease only slightly during the 2002/03 marketing year.

On the one hand, total U.S. domestic grain and oilseed use, as well as exports, is projected to decrease. U.S. domestic use of wheat during the 2002/03 marketing year is projected to decrease by 76 million bushels (6.3 percent), while exports are projected to decrease by 36 million bushels (3.7 percent). U.S. domestic use of feed grains and corn during the 2002/03 marketing year is projected to decrease by 86 million bushels (1.1 percent), and exports are projected to decrease by 39 million bushels (2.1 percent). U.S. domestic use and exports of soybeans are projected to decrease by 183 million bushels (6.2 percent) during the 2002/03 marketing year.

On the other hand, drought-related changes in transportation patterns that favor rail transportation will offset some of the decreases caused by reduced domestic and export use. Recent drought-related low water levels on the Mississippi River near St. Louis, MO, also have the potential to limit near-term barge movements of grain and soybeans, which could result in increased rail transportation of grain and oilseeds. Marv.Prater@usda.gov.

Opening of Barge-Shipping Season Slowed by Ice and Repairs. The start of the barge-shipping season began this past week at Lock #1, Minneapolis-St. Paul, MN, at the northern most end of the navigable Mississippi River. Although locks on the upper Mississippi generally open to barge traffic toward the middle of March, this year's particularly difficult winter left heavy ice flows, delaying access to the upper section of the inland waterway. The ice which remains, 1 foot thick in some sections despite the warmer weather, is generally inconsequential to barge traffic.

Major repairs to several Mississippi River lock and dam structures--Lock and Dam 24 (Clarksville, MO), Lock and Dam 17 (Muscatine, IA), and Lock and Dam 19 (Keokuk, IA)--also slowed the annual river opening. *(OsterDowJones, 4/1, USDA)*

Report is prepared by Deen Olowolayemo, Hooshang Fazel, Johnny Hill and Karl Hacker, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Support provided by Upper Great Plains Transportation Institute, North Dakota State University. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments and questions to Surajudeen.Olowolayemo@usda.gov .

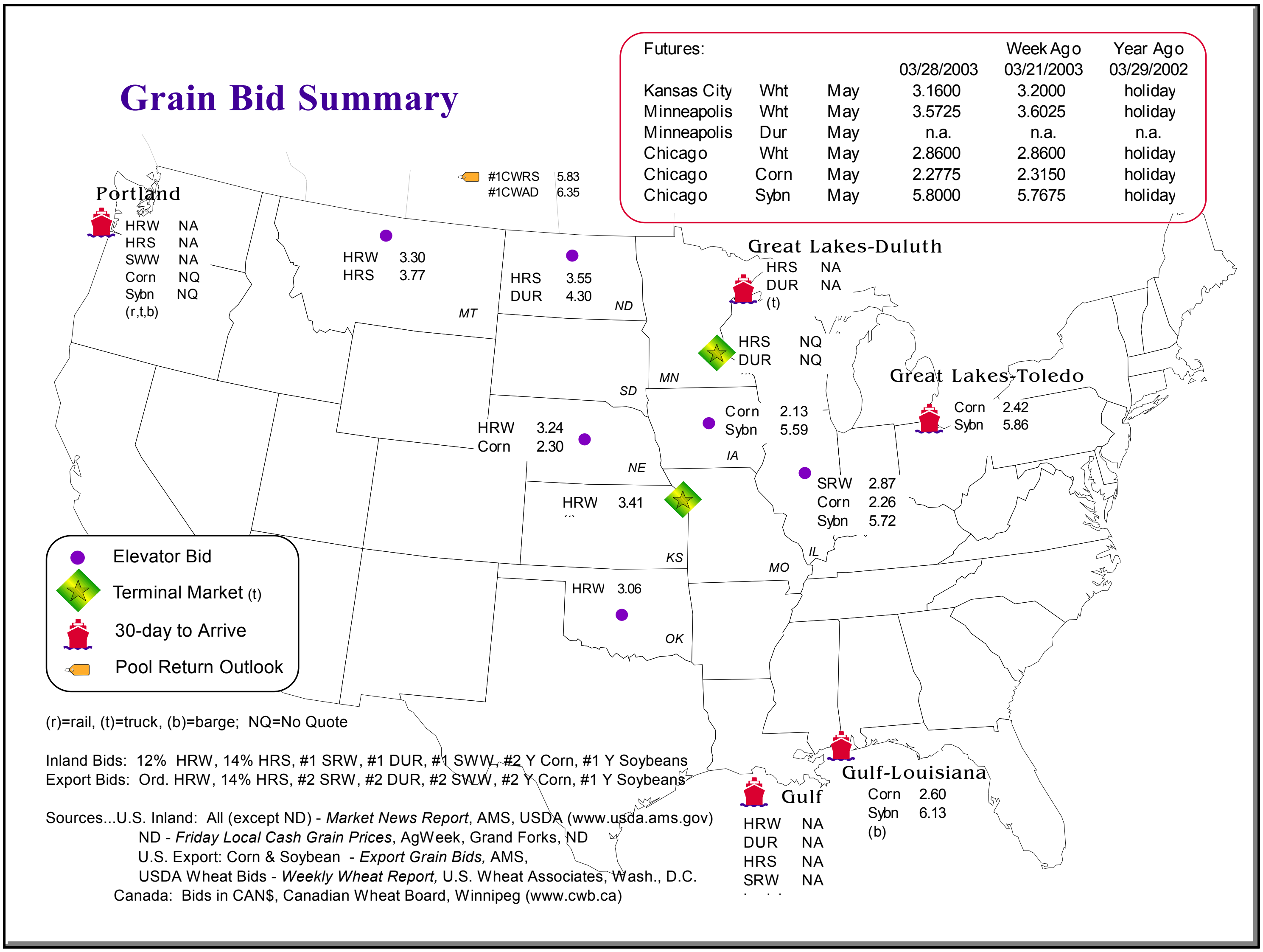
Contents

The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision making and longer-term strategic planning for an effective and efficient U.S. grain logistics system.

Market Update: U.S. Origins to Export Position Price Spreads (Per Bushel)

Commodity	Origin--Destination	This week	Last week
Corn	IL -- Gulf	-0.34	-0.37
Corn	NE -- Gulf	-0.30	-0.32
Soybean	IA -- Gulf	-0.54	-0.58
HRW	KS -- Gulf	3.41	3.45
HRS	ND -- Portland	3.55	3.51

The **Grain Bid Summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.



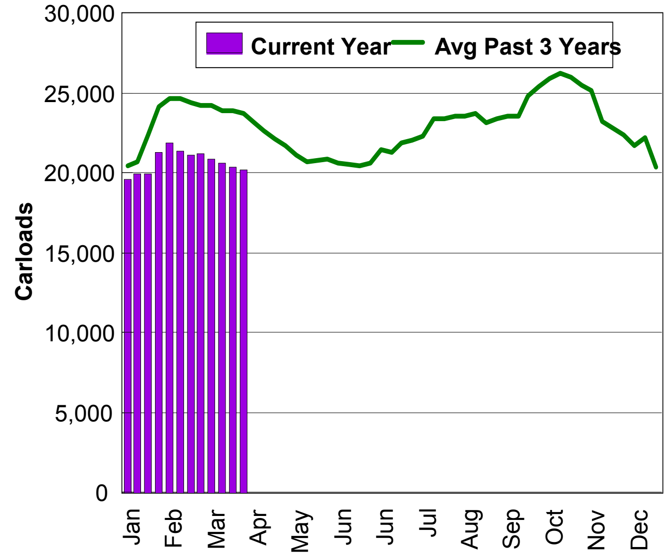
RAIL TRANSPORTATION

Rail Deliveries to Port (Carloads)

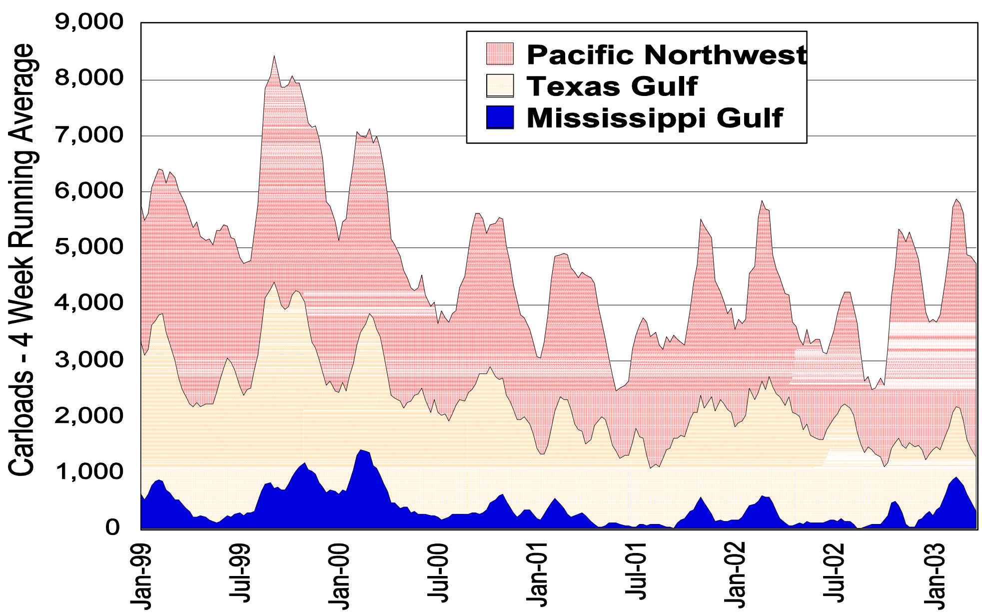
	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
03/12/03	106	1,536	3,571	305	5,518
03/19/03	260	712	3,632	682	5,286
YTD 2003	7,195	13,278	39,460	7,495	67,428
YTD 2002	4,894	23,475	28,450	8,474	65,293
% YTD 2002	147%	57%	139%	88%	103%
Total 2002	11,112	83,799	111,719	21,551	228,181
Total 2001	10,022	81,804	111,376	26,604	229,806

Source: Transportation & Marketing/AMS/USDA; (*) Incomplete Data

Grain Car Loadings for Class I Railroads



Rail Deliveries to Port



Railroads originate approximately 40% of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Class I Rail Carrier Grain Car Bulletin (Grain Carloads Originated and Grain Service Index)

	East		West			U.S. Total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
03/22/03	2,922	3,550	7,987	331	6,551	21,341	3,846	4,315
This Week Last Year	2,789	3,390	7,043	505	6,533	20,260	3,726	3,639
2003 YTD	35,351	38,732	93,795	4,539	78,815	251,232	40,180	40,252
2002 YTD	36,606	38,141	98,273	7,905	81,651	262,576	47,123	44,888
% of Last Year	97%	102%	95%	57%	97%	96%	85%	90%
2002 Total	142,760	164,745	400,179	27,161	344,296	1,079,141	191,835	195,765
U.S. Rail Covered Hopper Cars Online Index*								
Feb-03	97.0	100.4	94.1	86.4	92.9	95.0		

Source: Association of American Railroads; *Base Year =2001, Index based on Number of Covered Hopper Cars Online (available for Service).

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, $/Car - Last Auction

Delivery for:	May-03	Jun-03	Jul-03
COT/N. Grain	$0	no bid	$0
COT/S. Grain	no bid	no bid	no bid
GCAS/Region 1	no bid	no bid	no bid
GCAS/Region 2	no bid	no bid	no bid

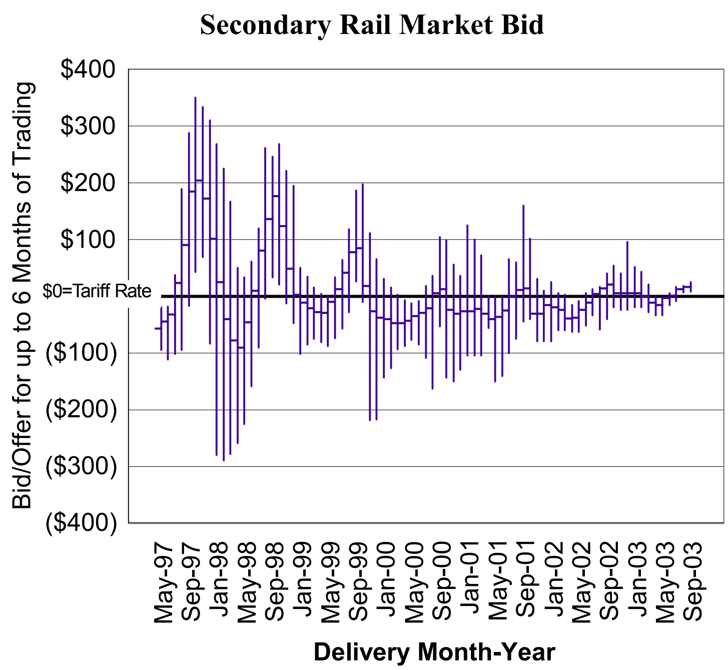
Source: Transportation & Marketing/AMS/USDA.
COT=Certificate of Transportation; GCAS=Grain Car Allocation System

Rail service may be ordered directly from the railroad via **Auction** for guaranteed service or tariff for non-guaranteed service, or through the secondary market. The **Secondary Rail Market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The auction and secondary rail values are indicators of rail service quality and demand/supply.

Secondary Rail Car Market

Average Premium/Discount to Tariff, $/Car - Last Week

	Delivery Period			
	Apr-03	May-03	Jun-03	Jul-03
BNSF-GF	$(7)	$(14)	$(6)	$(3)
UP-Pool	$(14)	$(14)	$0	$6



Tariff Rail Rates for Unit Train Shipments

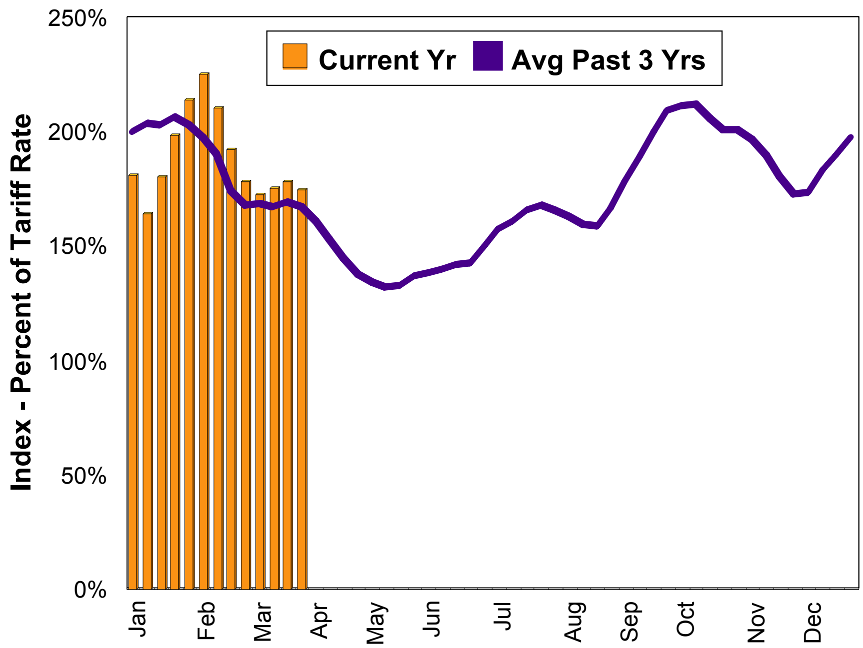
March 2003

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
03/03/03	45560	Wheat	Minneapolis, MN	Houston, TX	$2,050	$22.60	$0.62
03/03/03	43521	Wheat	Minneapolis, MN	Portland, OR	$3,877	$42.74	$1.16
03/03/03	46540	Wheat	Kansas City, MO	Houston, TX	$1,650	$18.19	$0.50
03/03/03	43586	Wheat	Kansas City, MO	Portland, OR	$4,420	$48.72	$1.33
03/03/03	43581	Wheat	Omaha, NE	Portland, OR	$4,005	$44.15	$1.20
03/03/03	31005	Corn	Minneapolis, MN	Portland, OR	$3,050	$33.62	$0.85
03/03/03	31035	Corn	Kansas City, MO	Portland, OR	$2,700	$29.76	$0.76
03/03/03	31005	Corn	Omaha, NE	Portland, OR	$2,850	$31.42	$0.80
03/03/03	61110	Soybean	Minneapolis, MN	Portland, OR	$3,030	$33.40	$0.91
03/03/03	61110	Soybean	Omaha, NE	Portland, OR	$2,780	$30.64	$0.83

Source: www.bnsf.com
Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

BARGE TRANSPORTATION

Illinois River Barge Rate Index - Rate Quotes



The **Illinois River Barge Rate Index** averaged 183% of the Benchmark Tariff Rate between 1999 and 2001, based on weekly market quotes. The **Index**, along with **Rate Quotes** and **Futures Market** bids are indicators of grain transport supply and demand.

Calculating **Barge Rate** Per Ton:
Index × 1976 Tariff Benchmark Rate per Ton

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map below.

BARGE RATE QUOTES: Southbound Barge Freight
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

	3/26/03	3/19/03	April '03	June '03
Twin Cities	nq	nq	193	189
Mid-Mississippi	166	187	164	163
Illinois River	154	175	154	155
St. Louis	126	146	127	134
Lower Ohio	137	140	134	138
Cairo-Memphis	114	123	118	129

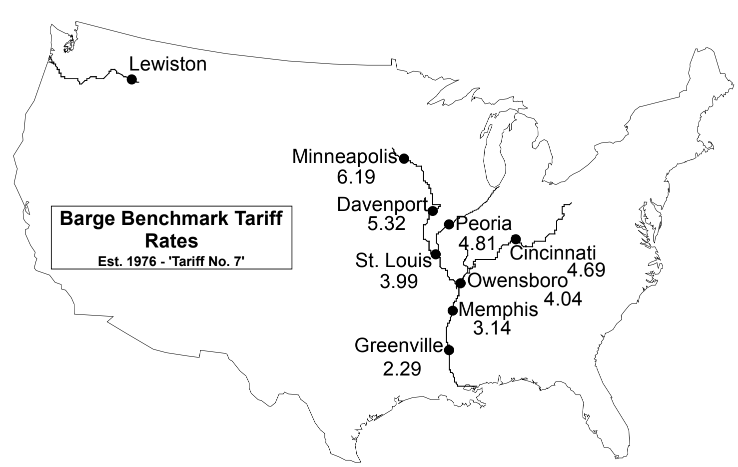
Source: Transportation & Marketing /AMS/USDA
nq=no quote

BARGE FUTURES MARKET

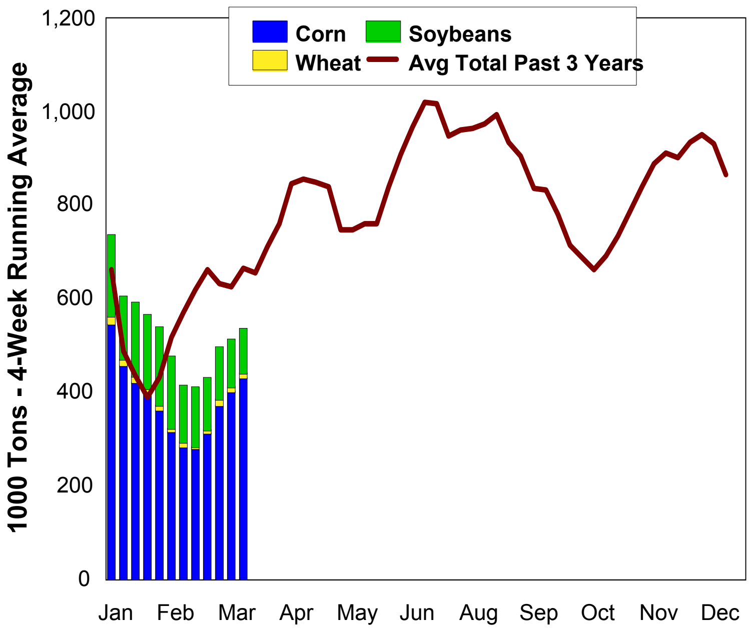
Southbound Barge Freight Nominal/Cash Basis Values
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate: Futures	Rate: Cash
4/01/03	St. Louis	May	n/a	125
		July	n/a	135
		Sept	n/a	175
		Nov	n/a	155
		Dec	n/a	135
	Illinois River	May	n/a	143
		July	n/a	153
		Sept	n/a	185
		Nov	n/a	175
		Dec	n/a	165

Source: St. Louis Merchants Exchange



Barge Movements on the Mississippi River (Lock 27)



Barge Grain Movements (1,000 Tons)
for week ending 3/22/03

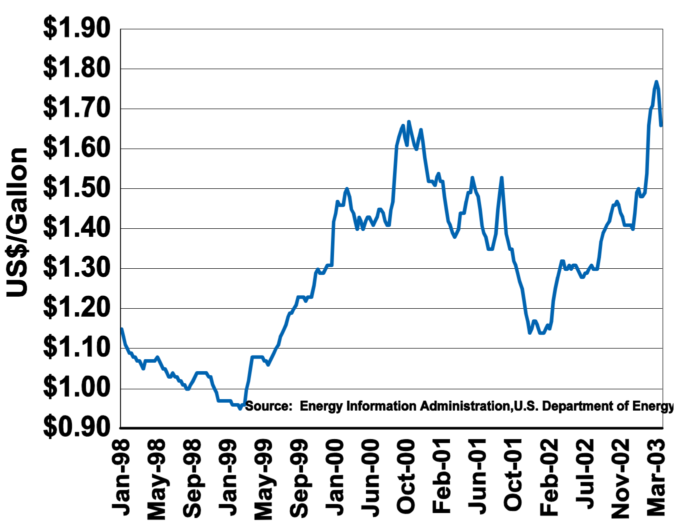
	Corn	Wht	Sybn	Total
Mississippi River				
Rock Island, IL (L15)	37	0	4	41
Winfield, MO (L25)	42	3	54	101
Alton, IL (L26)	474	8	84	566
Granite City, IL (L27)	443	8	84	535
Illinois River (L8)	354	5	48	406
Ohio River (L52)	33	5	45	97
Arkansas River (L1)	0	27	7	35
2003 YTD	5,223	439	2,605	8,560
2002 YTD	6,911	423	2,702	10,536
% of 2002 YTD	76%	104%	97%	82%
Total 2001	31,878	2,679	10,616	47,091

Source: U.S. Army Corp of Engineers
YTD and Calendar year total includes Miss/27, Ohio/52 and Ark/1.

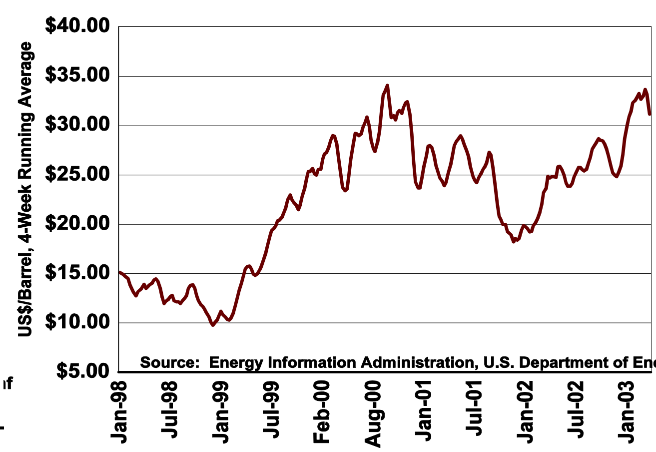
TRUCK TRANSPORTATION

The weekly **Diesel Price** provides a proxy for trends in U.S truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37% of the estimated variable cost. **Crude Oil Price** is an indicator in future diesel price trends.

Weekly U.S. Retail Road Diesel Price



Weekly Brent Crude Price, Friday Close



Crude Oil Prices (03/25/03) US$ per Barrel	This Week	Last Week	
Light Sweet Crude (NYMEX)	28.10	26.56	↑
Brent Crude	27.21	26.75	↑

Source: www.eia.doe.gov; *U.S. Refiner Crude Acquisition Cost, Composite Domestic & Import

Note: Light Sweet Crude is exchanged on the New York Mercantile Exchange. North Sea oil has a "benchmark" role in crude oil pricing. Brent crude, a blend of North Sea oils, is traded on the International Petroleum Exchange in London.

GRAIN EXPORTS

U.S. Export Balances (1,000 Metric Tons)

	Wheat						Corn	Soybean	Total
	HRW	SRW	HRS	SWW	DUR	All			
03/20/2003	1,124	426	1,206	581	147	3,483	6,304	3,101	12,888
This Week Year Ago	1,290	878	712	449	122	3,450	7,090	2,736	13,276
Cumulative Exports-Crop Year									
02/03 YTD	5,765	2,387	5,280	2,921	598	16,952	21,880	22,921	61,753
01/02 YTD	6,985	4,532	4,499	2,616	1,006	19,638	24,831	17,713	62,182
01/02 Total	8,761	5,485	5,582	3,175	1,133	24,135	48,003	29,926	102,064
00/01 Total	9,314	4,445	5,775	5,156	1,130	25,819	47,734	27,567	101,120
99/00 Total	10,629	4,195	5,590	4,055	984	25,453	48,760	26,972	101,185

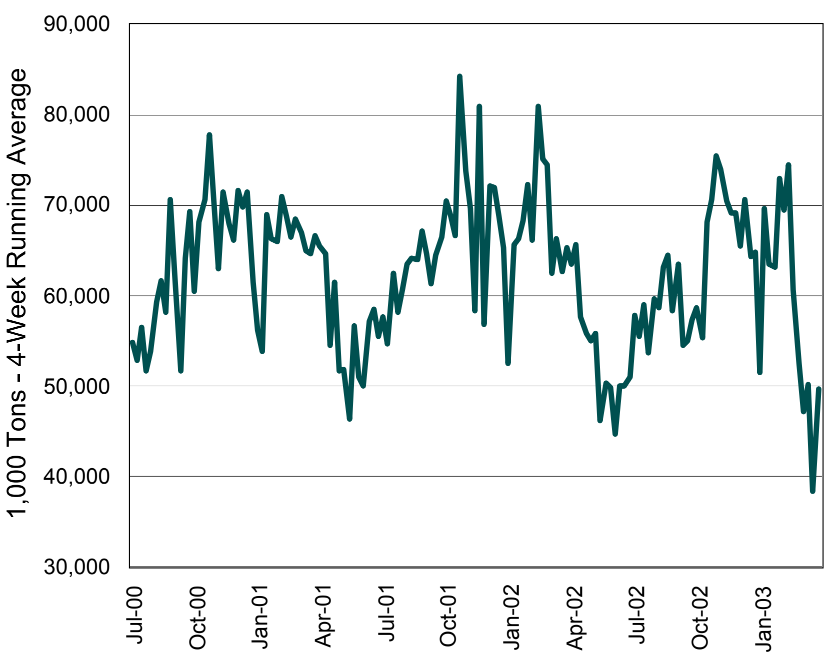
Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov)
Crop Year: Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

Select U.S. Port Regions - Grain Inspections for Export (1,000 Metric Tons)

	Pacific Region			Mississippi Gulf			Texas Gulf			Port Region Total		
	Wheat	*Corn*	*Soybn*	*Wheat*	*Corn*	*Soybn*	*Wheat*	*Corn*	*Soybn*	*Pacific*	*Mississippi*	*Texas*
03/27/03	264	120	126	197	586	180	94	0	0	509	963	94
2003 YTD	2,029	1,389	1,880	1,299	6,428	7,593	1,026	526	45	5,297	15,320	1,597
2002 YTD	2,316	1,332	931	1,615	9,221	7,160	1,553	63	235	4,579	17,996	1,851
% of 2002 YTD	88%	104%	202%	80%	70%	106%	66%	838%	19%	116%	85%	86%
2002 Total	10,007	5,877	1,639	6,829	34,991	17,996	6,971	468	468	17,523	59,816	7,906

Source: Federal Grain Inspection Service YTD-Year-to-Date

U.S. Grain Inspected for Export



Select Canadian Port Export Inspections
1,000 Metric Tons, Week End Summary

03/27/2003	Wheat	Durum	Barley
Vancouver	23	14	
Prince Rupert	40		
Prairie Direct	5		2
Thunder Bay			
St. Lawrence	3,162	1,704	254
2001/02 YTD	8,306	2,151	692
2002/03 YTD	3,229	1,719	256
% of Last Year	257%	125%	270%

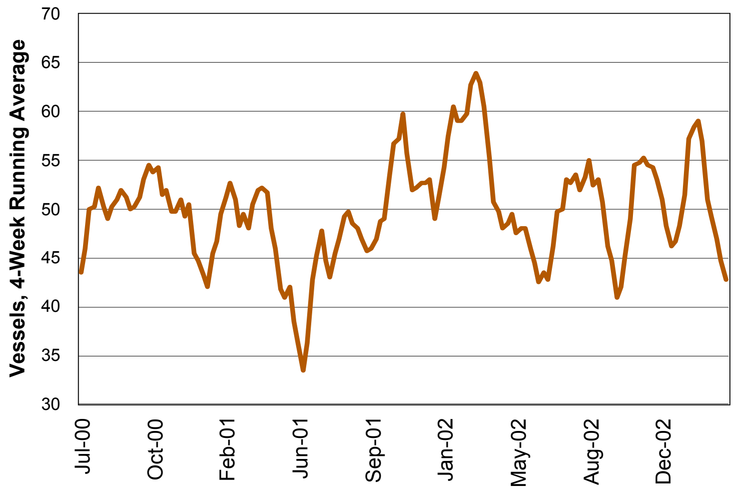
Source: Canadian Grains Commission, Crop Year 8/1-7/31

Port Region Ocean Grain Vessels

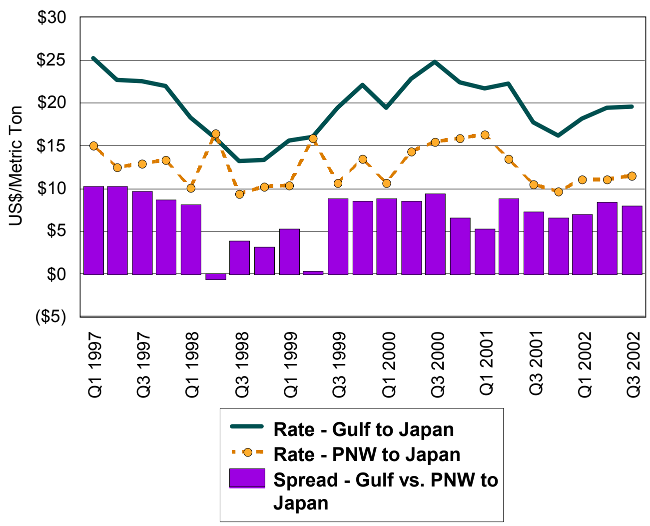
	Gulf In Port	Gulf Loaded 7-Days	Gulf Due Next 10-Days	Pacific Northwest In Port	Vancouver B.C. In Port
03/20/03	28	40	58	12	6
03/27/03	27	41	58	12	4
2002 Range	(15..55)	(33..66)	(44..82)	(3..15)	(0..12)
2002 Avg	35	51	65	8	5

Source: Transportation & Marketing /AMS/ USDA

Gulf Port Region Grain Vessel Loading
Past 7 Days



Grain Vessel Rates to Japan



Quarterly Ocean Freight Rates
Average Rates & Percentage Changes, U.S. Dollars/Metric Ton

	2002 4th Qtr	2001 4th Qtr	% Change		2002 4th Qtr	2001 4th Qtr	% Change
Gulf to				**Pacific NW to**			
Japan	$24.75	$16.25	52%	Japan	$15.39	$9.64	60%
Mexico	$7.50	-	-				
N. Europe	$18.07	$11.73	54%	**Argentina/Brazil to**			
N. Africa	$18.33	$16.98	8%	Med. Sea	$22.00	-	-
Med. Sea		$10.58	-	N. Europe	$22.63	$15.72	44%

Source: Transportation & Marketing/AMS/USDA

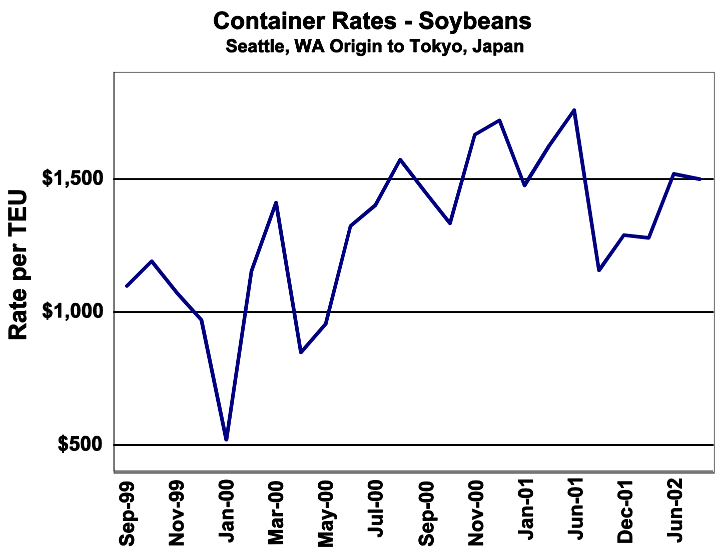
Ocean Freight Rates for Selected Shipments - week ending 3/29/03

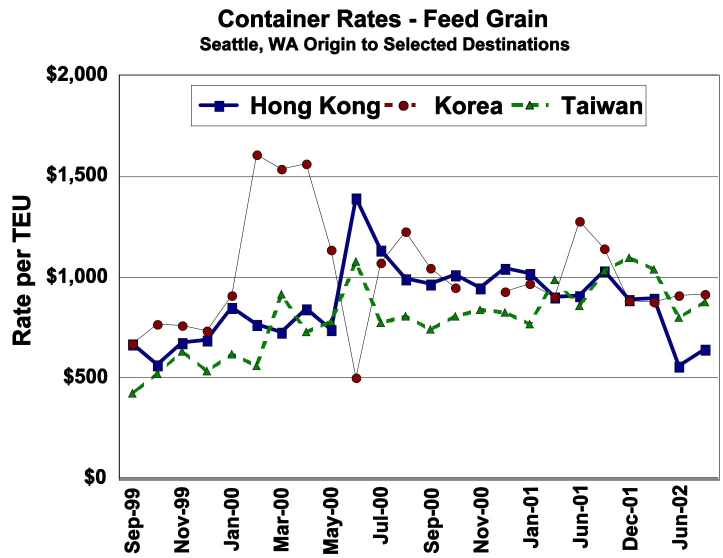
Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate ($Ton)
PNW	Taiwan	Heavy Grain	Jun 5/15	54,000	$17.25
PNW	Taiwan	Heavy Grain	Apr. 15/25	56,000	$18.00
Brazil	Egypt	Heavy Grain	Apr. 10/20	60,000	$24.25
Brazil	Tunisia	Heavy Grain	Apr. 1/5	25,000	$29.00
Germany	Turkey	Wheat	Apr. 1/10	50,000	$13.90

Source: Maritime Research Inc.
Rates shown are for metric ton (2,204.62 lbs.=one metric ton), F.O.B., except where otherwise indicated; op=option

CONTAINER

Container Ocean Freight Rates
Average Rate per TEU, Weighed by Shipping Line Market Share
Source: Transportation & Marketing/AMS/USDA, Quarterly Updates





Approximately 420,000 MT of grain and oilseed exports were marketed via container in 2001. This volume increased 26% compared to 1997.